

Application number: 09/628098

Art Unit: 3624

Applicant: Khai Hee Kwan

Examiner: Thu 'Thao Havan.

Title: Computer System and Method for online display, negotiation and management of loan syndication over computer network.

invented, the earlier application (provisional application) is essentially a project file dump detailing tasks to do. It also contains flow charts and descriptions of program modules (for database) in no apparent rational order; some of the charts and descriptions are missing pages. Accordingly, the Applicant respectfully ask the examiner to first make a
5 determination whether the subject matter relied on to anticipate is found in the earlier application with such clarity and detail to establish that the subject matter existed and that its existence was recognized by persons of ordinary skill in the field of the invention. The Federal Circuit has stated: An anticipating reference must describe the patented subject matter with sufficient clarity and detail to establish that the subject matter existed and that
10 its existence was recognized by persons of ordinary skill in the field of the invention. (ATD Corp V Lydall Inc, 159 F.3d 534, 48 USPQ 2d 1321, 1328 (Fed Cir 1998) (citing In re Spada, 911 F.2d 705, 15 USPQ 2d 1655, 1657 (Fed Cir 1990); Diversitech Corp V Century Steps, Inc., 850 F.2d 675, 678, 7 USPQ 2d 1315, 1317 (Fed Cir 1988). Our conclusion is that it has not satisfied this "clarity and detail" standard explicitly and
15 inherently as seen by those skilled in the art in particular with respect to our claim 1.

This means the earlier filing date March 24 2000 could not be relied to anticipate our claimed elements as per 102(e).

20 Alternatively, even if the earlier date could be relied on, the Applicant further submits that Louie failed to disclose the numerous steps in method claims 1-6, 8-9 and system claims 26-32 and claim 25 for article of manufacture. Similarly for Apparatus claims 21-24. Louie's invention is primarily a syndicated loan administration system (see para 0003 and 0014) and not for originating a syndicate loan facility. (Note also in para 0003 where
25 the word 'syndicated' loan is prominent. A loan which is syndicated (para 0009) could not be originated since 'originate' refers to the coming of something). This is also restated again in para 0014 " Accordingly, there is a need for a multi-user sophisticated syndicated loan management system which has high reliability, efficiency and accessibility." It is also obvious that a system for managing syndicated loan would not

Page 10 of 35

Application number: 09/628098

Art Unit: 3624

Applicant: Khai Hee Kwan

Examiner: Thu Thao Havan.

Title: Computer System and Method for online display, negotiation and management of loan syndication over computer network.

necessarily flow into one that actually originates loan syndication, which is a preliminary step towards the product 'syndicated loan'.

5 While in para 0010-0011, Louie gave some background information on the functions of syndication manager in soliciting borrowers and lenders, there is no teaching of originating a loan facility by negotiating with lenders over a network. In particular, the only indication alluded by Louie is found in Para 0010 "An institution that wishes to become a syndicate manager will usually endeavor to attract potential lenders and evaluate the interests of borrowers to provide an attractive package for the two parties."

10 To use a more apt analogy, the disclosure of a syndicated loan can be administered by loan administering system clearly does not anticipate a claim to the discovery that one can originate a loan by syndication using negotiation over a network. Louie is silent about any negotiation or negotiation benefits, not to mention the mechanisms underlying such
15 uses including sending of comments (as incorporated in the amended Claim 1). Louie shows "attracting and evaluating...provide an attractive package". Such evaluation does not necessarily means negotiation is clear as evaluation refers to a process of examination (matching?) of borrowers' interest against lenders' requirements and to reach a determination. It is clear that if a party has to negotiate then he is not happy about
20 something which makes 'attracting' difficult. Therefore to attract someone without resorting to negotiation means that attraction has to stand on its own or so attractive that negotiation is not required or contemplated. For example if a salesman offer a brand new BMW for one dollar is there any need to negotiate? Hence in this extreme example a one dollar BMW is attractive sufficient to negate any need for negotiation. Therefore, to use
25 this claimed invention, the syndicator need not determine what is attractive to all parties and instead decide some price and allow others to submit counter offers via comments. Also note that since everyone's ability to negotiate depends on their financial standing, the use of anonymity will help those who are without financial influence (ie smaller banks) to participate in the syndication.

Page 11 of 35

Application number: 09/628098 **Art Unit:** 3624
Applicant: Khai Hee Kwan **Examiner:** Thu Thao Havan.
Title: Computer System and Method for online display,
negotiation and management of loan syndication over computer
network.

The applicant submits that in Louie, the loan facility is already created off-line and the details are inputted into the system for loan administration purpose. See Para 0016 where it states clearly that "there is provided according to the present invention a *loan syndication* tracking and management system and method that provides a user with
5 access to specific details related to a syndicated loan. The system and method coordinates investor, borrower and resource information, in addition to features related to the overall structure of a syndicated loan." As mentioned, the fact that it is already syndicated means Louie's invention is not concerned with originating a loan syndication as per our claimed invention.

10 The function of coordinating information could not inherently show originating a loan facility given at the stage of negotiating, none of the parties cited have yet to agree to create the loan. In short, a party who is negotiating does not necessarily means this party will agree to be part of the syndication as an 'investor'. Said party could very well reject
15 the offer and no matter how much coordination of information effort is placed, this will not necessarily lead to an unwilling party to be part of the syndication.

Lastly, in the course searching on USPTO database, the applicant came across US PAT 6704716 by Joseph Force titled "Method and system for conducting an online transaction
20 that allows the seller and bidder to *negotiate*" with filing date "September 8, 2000" which post-date our application's filing date July 27, 2000. The applicant brought this issue up because the current amendment includes some elements found in the claims for US Pat 6704716. The applicant did not copy any **exact** issued claims across. These elements as
25 are fully supported in our specification particularly Fig 3. The amendment was necessitate because the applicant considers the subject matter of 'negotiation' between two parties to be explicitly claimed by US PAT 6704716 and if our amended claims are patentable then the examiner may wish to consider if any, "interference" count.

Application number: 09/628098

Art Unit: 3624

Applicant: Khai Hee Kwan

Examiner: Thu Thao Havan.

Title: Computer System and Method for online display, negotiation and management of loan syndication over computer network.

The following will detail our rebuttal of the examiner's anticipation rejection inclusive of amendments.

REMARK

5 Claim 1,21,25,26

Claim 1 is the broadest claim and representatives in 21,25,26. In essence, this claim describes where parties wishing to form a syndicate would negotiate the terms of the syndication and to incorporate said terms in the loan facility. Negotiation is an essential
10 element (step) to be considered prior to the formation of a syndication. If the parties could not negotiate to reach an agreement then no syndication is possible. Note that at this stage no loan facility has been created.

Our first element or step refers to receiving a request to originate a loan facility. The
15 examiner provided para 0005 and 0045 from US 2001/0054022 but failed to show they could depend on the earlier filing date. As we have mentioned, these cited teachings are not found in the earlier filing date provisional application.

Even if these paras are found, Applicant submits that para 0005 failed to describe
20 receiving a request to originate a loan facility (over a network). In particular this para refers to "approach a large commercial bank for a commercial loan" but this fails to show the computer system receiving a request over a network. It could not be suggested that approaching a commercial bank by borrower for a commercial loan is the same as computer server receiving a request to originate a loan over a network. In re Morris, 44
25 USPQ2d 1023, 1027-28 (Fed Cir 1997). (Claims must be given the broadest reasonable interpretation consistent with the specification). But even how broad it is, one must still consider that the teaching shows approaching a large commercial bank which is not the same as a computer system (not being a bank) is receiving a request.

Application number: 09/628098**Art Unit:** 3624**Applicant:** Khai Hee Kwan**Examiner:** Thu Thao Havan.**Title:** Computer System and Method for online display, negotiation and management of loan syndication over computer network.

Furthermore the teaching at para 0005 reveals "In addition, the commercial bank must organize resources sufficient to meet the needs of the borrowers and structure the loan in a way which meets the needs of the borrowers." also fails to show a computer system receiving a request from syndicator (assuming the commercial bank is the syndicator here). In effect there is nothing in the teaching "must organize" inherently shows our claimed step of receiving a request. At this stage our computer system merely receive a request and waits for interested parties to respond which does not necessarily shows organizing resources and structure the loan. It should also be clear that our computer system may not necessarily belongs to the syndicator. In reality, said system is operated by a third party or middleman to avoid any conflict of interest. It is also clear from Louie, the system or machine is run by the loan administrator being part of the syndicator group (see for example the name Chase Bank being printed on the documents found in the provisional application by Louie). In short, Louie is silent about whether his system could be a third party system.

Para 0045 refers to providing borrower's information where upon investors data are accessible. It is clear that providing borrower's information is not the same as receiving a request to originate a loan facility. Even if this borrower's information is about a possible loan syndication, Louie taught that by providing such information to access investors' data which is different to merely listing these information for display to wait for investor to respond to said.

It is also evident that Para 0045 show accessing data about various investors group found in the system which means said data must have been pre-selected or inputted or available to the user at the outset. This is not found in our pre-syndication stage where potential lenders in response providing their offers which means our potential lenders are not pre-selected nor found in the computer system prior to expressing their interests in the form of an offer.

Page 14 of 35

Application number: 09/628098**Art Unit: 3624****Applicant: Khai Hee Kwan****Examiner: Thu Thao Havan.****Title:** Computer System and Method for online display, negotiation and management of loan syndication over computer network.

Indirectly, this shows Louie 'request to originate a loan' is limited to pre-selected investors group which is different to our need to solicit known and unknown parties on the Internet to participate in the syndication. In short, if the user already have grouping of investors information stored in the system then there is no reason to submit a request to originate a loan facility since the user could simply search the investor data to determine interests. The better view is that Louie's system provides a way to reveal investors without the need to submit a request to originate a loan facility. This is typical of a search or match function whereby submitting borrower's information, the system could identify investors who may be interested. If the applicant's assumption is correct, then a request to originate a loan facility over a network will not inherently show Louie's search function since a request do not more than to draw attention as opposed to identifying interest. (see Louie at Claim 1 for what is stored in the system)

The problem in relying on Para 0045 individually is that, this para actually described elements found in Fig 5 which flows from Para 0033 onwards. In short, one must also read Para 0033 to 0045 in order to appreciate that this evidence in totality refers to SYNDICATED loan management (see Fig 5 where it described the various elements found in Para 0045 such as item 68, item 76). As noted, a syndicated loan management system (68) is to manage a syndicated loan and not to originate a loan. See Para 0009, Louie wrote that a syndication is completed. See Para 0016 "Briefly stated, there is provided according to the present invention a loan syndication tracking and management system and method that provides a user with access to specific details related to a syndicated loan. " The word 'syndicated' signals the loan is created and hence potential lenders are actual lenders. Therefore the provision of borrower's information into a system is only when the loan facility has been formed. If it is formed, then logically there is no need for receiving a request to originate a loan facility.

Therefore, we respectfully submit that the element "receiving, and originate" is not inherently found in Louie. The examiner provided no reasoning where a system designed

Page 15 of 35

Application number: 09/628098

Art Unit: 3624

Applicant: Khai Hee Kwan

Examiner: Thu Thao Havan.

Title: Computer System and Method for online display, negotiation and management of loan syndication over computer network.

to manage/co-ordinate syndicated loan must necessarily shows receiving a request to "originating" a loan. We have also done a word search on the term 'originate' and Louie made no reference to this.

- 5 The applicant has modified slightly this first element to "receiving a request to post a requirement to syndicate a loan facility by a first entity over a network". This only narrows it to a network and the request is to be posted and not merely receiving a request as before amendment. However, it also reads on to lending requirements which means Claim 1 as it is amended now can show both origination (from syndicator) as well as
- 10 lending (from lenders). This however does not affect our rebuttal above. Where the requirement is to originate a loan syndication, this element 'originate' is persevered in Claim 9. Where the requirement is for a lending, then the entities are as cited in Claim 6. This is clearly supported by our Fig 1B where both lenders and loan syndication items are shown.

15

- Our next element "negotiating" is also not found in Louie para 0018 and "adapting at least negotiated terms of loan to be incorporated in said loan facility". The examiner provided para 0030 (Fig 4) to show the latter. The examiner did not show said paras could depend on the earlier filing date. The applicant submits said paras are not found in
- 20 the earlier filing date provisional application as there was no showing of interconnectivity with any external party or different parties.

- The examiner stated that Louie's system coordinates investors, borrowers and resource information according to a syndicated loan etc. (page 4 Action Letter) Firstly
- 25 "coordinating" is not the same as negotiating given that negotiating is a process of bargaining between two parties to agreed on something or to resolve something while coordinating refers to managing something by one party. More importantly, negotiating over a network provides the opportunity to make arguments (by comment) in support of their claims to strengthen their bargaining positions if any. Clearly, negotiation is only

Page 16 of 35

Application number: 09/628098**Art Unit:** 3624**Applicant:** Khai Hee Kwan**Examiner:** Thu Thao Havan.**Title:** Computer System and Method for online display, negotiation and management of loan syndication over computer network.

initiated when the offering party is not happy about something say pricing and in response provide a counter-offer. Again this can be contrasted with 'evaluation' since this merely means receiving an offer (after solicitation) without any means to negotiate and the evaluator only has to decide "yes or no" to provide an attractive package to the
5 borrower (see example of tender documents having fixed prices).

Fig 1 of Louie is a clear example which does not show party to party connectivity to negotiate (See our Fig 1A in having computer 20 and 40). Fig 1 only shows a client terminal connected to a cluster of servers. If we consider para 0014-0018, it is clear that
10 the reference to 'user' here is to the manager or lead lender or originator or co-ordinator (terms used interchangeably) which having access to the system alone for loan administration. It is also well settled in the art, that only one party can be the co-ordinator and hence according to Louie must the same as manager, lead lender or originator having access to the system as the system was designed for administration purposes. There is
15 nothing in Louie to show other parties (potential lenders) having access to the system. If no second party could connect to the system then logically negotiation could not be found. To restate this, the Applicant has added the limitation " wherein first entity is different to second entity" to show the claimed requirement that both entities must be different.

20 Even if the term multi-user is found in Louie, this is in reference to users within the manager group and not other parties not being the manager group. Therefore, coordinating must reveal one party managing something previously agreed with others while negotiating is a process between two parties who are trying to agree on something
25 over a network.

Page 17 of 35

Application number: 09/628098

Art Unit: 3624

Applicant: Khai Hee Kwan

Examiner: Thu Thao Havan.

Title: Computer System and Method for online display, negotiation and management of loan syndication over computer network.

Dictionary definition of "negotiation"

n 1: a discussion intended to produce an agreement; "the buyout negotiation lasted several days"; "they disagreed but kept an open dialogue"; "talks between Israelis and Palestinians" [syn: dialogue, talks]

5 2: the activity or business of negotiating an agreement; coming to terms

Source: WordNet ® 2.0, © 2003 Princeton University

The dictionary definition of "coordinates"

v. tr.

- 10 1. To place in the same order, class, or rank.
2. To harmonize in a common action or effort: *coordinating the moving parts of a machine; coordinate the colors of a design.*

v. intr.

- 15 1. To be coordinate: *The generators coordinate so that one is always running.*
2. To work together harmoniously: *a nursing staff that coordinates smoothly.*
3. To form a pleasing combination; match: *shoes that coordinate with the rest of the outfit.*
20 4. Grammar. To link (syntactically equivalent units) together.

Source: The American Heritage® Dictionary of the English Language, Fourth Edition

Reading para 0018 and 0030 together, Applicant submits Louie only disclosed the
25 interaction or relationship between the parties in managing the financial resources once
the loan has been syndicated. See last sentence of para 0018 where it was disclosed that
lead lender can track loan assets and payment schedule etc which supports the view that
the loan has already been syndicated. Examiner also stated " His system coordinates
investors, borrowers, and resource information according to a syndicated loan". The issue
30 here is that if the loan is already syndicated then logically there is no requirement for
negotiating to syndicate one. It is almost impossible to negotiate something once it is
signed, sealed and delivered. Even if negotiating is well known as a bargaining process
between parties, there is no teaching on how this could achieve over a network and in

Page 18 of 35

Application number: 09/628098**Art Unit:** 3624**Applicant:** Khai Hee Kwan**Examiner:** Thu Thao Havan.**Title:** Computer System and Method for online display, negotiation and management of loan syndication over computer network.

particular as per using user interface in Fig 3 where arguments could be submitted in support of their offers in comment box.

There is no disclosure on 'adapting negotiated terms of loan to be incorporating in loan facility' in Louie's system. In Fig 4 as explained in para 0030, refers to parties 44,48,46,66 are using syndicated loan resources 52 (loan facility). The fact is that if the loan resources are already syndicated then how could terms of loan be incorporated by adapting them? For example, Louie stated that "Typically, the financial institution that acts as syndicate manager 44 contributes the majority of resources to the total loan resources 52" It is clear that 'contributes' could not inherently show adapting and incorporating terms of loan. The word 'contributes' refers to contributing LC, notes and the like (not incorporating loan terms in LC or notes) in terms of money. As mentioned, Louie's invention is to administer the loan once it has been created and it is common knowledge that once a loan facility is created (signed, sealed and delivered), it is impossible to incorporate any negotiated terms. Noting that these terms have to be negotiated and Louie has no teaching of negotiation then similarly "negotiated terms" could not be anticipated. Please note this element has been shifted to Claim 8.

Therefore, the applicant submits that Louie's reference failed to anticipate our claimed invention. Noting the Applicant's rebuttal above, this claim has also been amended to clearly define additional features which the Applicant finds distinguishable over the prior art by claiming the subject matter of "negotiation" as per below:

Claim 1. (Currently Amended) A method operative at a server for negotiating and managing loan syndication over a network, comprising the steps of:

receiving a request to post a requirement to syndicate a loan facility by a first entity over a network;

Page 19 of 35

Application number: 09/628098**Art Unit:** 3624**Applicant:** Khai Hee Kwan**Examiner:** Thu Thao Havan.**Title:** Computer System and Method for online display, negotiation and management of loan syndication over computer network.

displaying information about said requirement accessible by a plurality of entities over a network;

- 5 in response to said requirement, receiving offers from one or more second entities wherein said offer includes at least a comment over a network;

enabling first entity to negotiate with second entity over a network about committing at least a portion of said loan facility;

10

whereby first entity is different to second entity.

- 15 As noted, the current amended claim now includes "displaying information...etc. " which is not found in Louie as Louie considers only syndicated loans (ie deals that are already closed). In US PAT 6704716 (herein 'Force'), at claim 1, we found "displaying information about an item for auction;"

- 20 Our next element "in response to said requirement, receiving offers from one or more second entities wherein said offer includes at least a comment over a network." As we have mentioned, Louie's invention is designed for the use of the loan administrator and hence could not be receiving offers given that the syndication is already closed. In Force, at Claim 1, we found "receiving multiple offers from one or more bidders" and in Claim 6 "The method of claim 1, wherein receiving multiple offers from one or more bidders
- 25 includes receiving a comment from the bidder. "

Our next element "enabling first entity to negotiate with second entity over a network about committing at least a portion of said loan facility; " is not found in Louie as explained that 'coordinating' could not inherently reveal "negotiation". Also note that

Page 20 of 35

Application number: 09/628098

Art Unit: 3624

Applicant: Khai Hee Kwan

Examiner: Thu Thao Havan.

Title: Computer System and Method for online display, negotiation and management of loan syndication over computer network.

the word 'about' as a matter of law is a 'clear warning that exactitude is not claimed but rather a contemplated variation' (Kolene Corp v Motor City Metal Treating, Inc, 307 F. Supp 1251, 1258, 163 USPQ 214, 220 (E.D. Mich,1969), aff'd, 440 F.2d 77, 169 USPQ 77 (6th Cir), cert denied , 404 U.S. 886 (1971)). In Force, at Claim 1, we found "enabling
5 the seller and only one bidder to negotiate by allowing the seller and the bidder each a predetermined number of responses; and enabling the seller and a subsequent bidder to negotiate, after the predetermined number of responses is met without a sale."

Our final element is substantially to restate that negotiation must be with parties from
10 different roles and while this must be apparent from the specification, the applicant decided to claim this for clarity. Our final element is not found in Force.

In addition, the applicant also came across the cited article by Mel Duvall, "IntraLinks Builds Up Accounts," Inter@ctive Week, vol. 6, no. 24 (June 14, 1999), p. 41. found in
15 *Ex parte* PAUL H. COSSETTE (Appeal No. 2002-1308, Application No. 09/161,787) at

URL link <http://www.uspto.gov/web/offices/dcom/bpai/decisions/fd021308.pdf>

and which lead on Intralinks.com (See <http://www.intralinks.com/solutions/syndicated-loans/primary-syndication/>), wherein described their webspaces product and we quote
20 "Workspaces™ enable you to exchange documents with authorized participants quickly and efficiently, so you can get deals done faster."

Also in Appeal Brief in filewrapper for 09/161,787 submitted by Cossette (filing date
25 Sept 28-1998), at page 8 and 9, at Note 1, reference is made to the Duvall article and we requote " When a financial institution gets a call requesting a loan, Intralinks is asked to set up a Deal Space. Then notices are sent out to a select group of investors who will be told to access the website with the specifications and terms of the loan. The investors then decide whether they want to participate in the deal after reviewing and modifying the on-

Page 21 of 35

Application number: 09/628098**Art Unit:** 3624**Applicant:** Khai Hee Kwan**Examiner:** Thu Thao Havan.**Title:** Computer System and Method for online display, negotiation and management of loan syndication over computer network.

- line document (Duvall article, lines 7-12).” The applicant submits that the teaching fails to show any negotiation. It is also clear that Intralink system is used after the offering bank has already selected the potential investors who may want to participate (See Appeal Brief submitted by Cossette at page 8). Webspace appears more like an electronic
- 5 secure vault where documents (modified by lender) are kept to be exchanged between authorised parties. This is in contrast to our unselected potential lenders hence the need for negotiating first and then incorporate the negotiated terms. Furthermore, our claimed element shows the opportunities are openly listed like an electronic board where potential lenders meet syndicators to negotiate deals. None of these elements are anticipated by
- 10 Intralinks nor obvious. Even if negotiation is well known as a human bargaining process, it is not known to do so over a network as disclosed per our Fig 3 where comments could be submitted as part of the offer. Obvious to try is not the standard for an obviousness rejection.
- 15 In regards to US Pat 6920434 by Paul Cossette filed September 28, 1998 which describe a search and matching routine to select loan participants, the applicant submits, this would not anticipate our currently amended claims. Nothing in said Patent suggests negotiation in view of a search and matching routine. It is also unlikely to be combinable with Force since Force could not be a prior art as it postdates our application.
- 20 In regards to US Application 20020116327 filed December 4, 2001 by Srinivasan, Venkatesan titled “System and methods for syndication of financial obligations”, claiming earliest priority date of U.S. application Ser. No. 09/684,208, filed Oct. 6, 2000, the applicant submits this is not applicable since it postdates our application filed July 27,
- 25 2000. In the application filed Dec 4, 2001, the applicant finds there are similar subject matter directed to loan syndication, say for example claim 13. “A method for syndicating financial obligations, comprising: receiving electronic information regarding a financial obligation of a first entity that has not been approved by the first entity; and automatically sending information regarding the financial obligation to prompt a decision by a second

Page 22 of 35

Application number: 09/628098**Art Unit:** 3624**Applicant:** Khai Hee Kwan**Examiner:** Thu Thao Havan.**Title:** Computer System and Method for online display, negotiation and management of loan syndication over computer network.

entity different from the first entity about assuming at least a portion of the financial obligation" or in claim 35. "A method for syndicating financial obligations, comprising: receiving electronic information regarding a financial obligation of a first entity; automatically selecting a second entity different from the first entity as a possible syndication partner; and automatically sending information regarding the financial obligation to prompt a decision by a second entity about assuming at least a portion of the financial obligation. "

However given the current amendment, nothing shows 'negotiation' here but said claims 13,35 could be broad enough to read into our current amendments. The applicant will rely on the examiner's opinion on this matter. Given Srinivasan's application post-dates our application, the applicant is not abrogating his rights to seek an interference action given at this stage of the office action whereby patentability has not yet been decided. The applicant has not abrogate his right for a divisional application by copying substantially the same claims as in Srinivasan or Force to cause an interference subject to any statutory bar (eg 1 year from publication). This matter will only be raised after a review on the patentability of the current claims.

In regards to US Application 20040024679 filed July 28, 2003 by Wallman, Steven M.H. depending on earliest priority date Mar. 11, 1998 from U.S. patent application Ser. No. 09/038,158, the applicant submits, this prior art is not relevant. The cited application which is a continuation in part deals with a cost effective trading system. Even if it is applicable, the fact that it is a continuation in part must necessitate an examination of stated subject matter depended on the earlier filing date as per Re Wertheim, 646 F.2d 527,537,209 USPQ 554, 564 (CCPA 1981) by the examiner first. As this was not tasked by the examiner hence no prima facie, the Applicant submits that there is no requirement for any substantial rebuttal at this stage.

Page 23 of 35

Application number: 09/628098

Art Unit: 3624

Applicant: Khai Hee Kwan

Examiner: Thu Thao Havan.

Title: Computer System and Method for online display, negotiation and management of loan syndication over computer network.

Applicant respectfully ask the examiner to allow this Claim 1 and 21, 25, 26, the latter being of different class.

Claim 2, 24, 27

5

Note: The applicant has amended Claim 24 to include this anonymity element.

The examiner provided para 0090-0091 to show that it is up to the borrower and lender to disclose their identities.

10

The Applicant respectfully disagrees. Firstly even if it is up to (discretion factor) the borrower and lender to disclose their identities does not necessarily mean the step to anonymously their identities is anticipated. Previously Claim 2 specifically refers to a step to anonymize being qualified by a discretion but nonetheless the issue is whether

15 anonymization is found. Unless the anonymize feature is found, the discretion to activate said feature is moot.

The cited para 0090 disclosed loan accounting information feature and said is used by syndicate manager 44 for tracking loan transaction information and loan accounting. Para

20 0091 deals with The F/T instruction. Nothing in both paras actually revealed how their identities could be anonymized. Logically, there is no reason to do so in Louie since Louie's disclosure is for a loan administration system where the loan facility is already formed. If the loan is already formed then why is there a need to anonymize their identities. It is unusual for a loan contract between unknown lenders and unknown

25 borrowers or where either one is unknown. The examiner placed no reasoning as to how loan accounting information and inputting F/T instructions must necessarily show anonymizing identities. " In relying upon theory of inherency, the examiner must provide a basis in fact and/or technical reasoning to reasonably support the determination that the allegedly inherent characteristic necessarily flows from the teachings of the applied art."

Page 24 of 35

Application number: 09/628098

Art Unit: 3624

Applicant: Khai Hee Kwan

Examiner: Thu Thao Havan.

Title: Computer System and Method for online display, negotiation and management of loan syndication over computer network.

Ex parte Levy, 17 USPQ2d 1461, 1464 (BPAI 1990) . It is also well known in the art that fund transfer (F/T) could not be executed unless the identities and acct number are correct, the SWIFT would simply reject such instruction. This cannot be correct unless the identities cum acct numbers are known. To date this F/T system between banks is not
5 known to accommodate anonymity.

In the course of our search for further prior arts to expedite this application, Applicant found US PAT 6,064,981 by Barni et al filed June 17, 1999. While anonymity is disclosed in said patent, there is still no teaching to reach anonymity for users/entities in a
10 loan syndication process (dependent on claim 1). And negotiating cargo rates could not teach negotiating loan syndication participation as claimed.

Applicant respectfully ask the examiner to allow this claim.

15 Claims 3 and 23

This claim refers to 'feedback routine'. The examiner provided Para 0094-0095. The examiner alleges that 'input message' anticipates to our claimed feedback routine.

20 The applicant respectfully disagree. It is clear that Louie's teaching is referencing to a loan facility that is already syndicated and being administered during the term of the loan facility . (See [0087] "When the user selects an active deal and initiates a transaction type for a non-standard message"). In Para 0089, it is stated that "The message preferably includes placemarkers for distribution information about distribution amounts and dates,
25 in addition to F/T instruction information related to the transaction" which confirms that the this type of messages could not be feedback.

Page 25 of 35

Application number: 09/628098**Art Unit:** 3624**Applicant:** Khai Hee Kwan**Examiner:** Thu Thao Havan.**Title:** Computer System and Method for online display, negotiation and management of loan syndication over computer network.

The word 'feedback' is generally defined as follows:

- a. The return of a portion of the output of a process or system to the input, especially when used to maintain performance or to control a system or process.
- b. The portion of the output so returned.
- c. Sound created when a transducer such as a microphone or electric guitar picks up sound from a speaker connected to an amplifier and regenerates it back through the amplifier.
3. The return of information about the result of a process or activity; an evaluative response: *asked the students for feedback on the new curriculum.*
4. The process by which a system, often biological or ecological, is modulated, controlled, or changed by the product, output, or response it produces.

Source : The American Heritage® Dictionary of the English Language, Fourth Edition

In particular, the feedback must be in response about something (such as our current feedback in response to examiner's rejection vs where the examiner provided no remarks) which a "space for message" as taught in Louie could not inherently show. For example, nothing in Louie suggested the message is in return to some kind of process or system or remark. Louie teach of providing "distribution amount" or " F/T instructions" which are regular message found in a draw down transaction for instance and not in response to some posted information.

In Para 0089 it is also stated "Using this feature, the message template can be reviewed, modified and updated by the user, to have distribution amounts and F/T instruction information automatically inserted in the placemarkers" which confirms that this is not a feedback routine but where "distribution amounts and F/T instruction information" are provided in a message. The information provided is clearly not feedback but instructions

Page 26 of 35

Application number: 09/628098**Art Unit:** 3624**Applicant:** Khai Hee Kwan**Examiner:** Thu Thao Havan.**Title:** Computer System and Method for online display, negotiation and management of loan syndication over computer network.

to do something to facilitate loan administration. In Para 0094, it teaches providing "extra message" space in addition to the above information found in Para 0089. In Para 0095, it teaches providing "a history of the transaction details" which is not relevant. Again, transaction details are referencing to transactions in view of administrating the loan such as F/T etc.

The unstated view of the examiner is probably that because a transaction message feature is taught in Louie, this anticipates our claimed element of a feedback routine. In our specification page 4 (line 7), we quote "The originator ie the managing bank will then collect this information and feedback to enable it to conclude an opinion regarding the prospect of the loan and report back to the client. This method is called "sounding" and the advantage is to be able to price a loan correctly." Also note that in our original filed Claim 13 & 20 (now canceled), we provide that "an information feedback system where users of client machine will be able to view feedback from the originator and others feedback as well as to provide feedback/comments on their own". This means our feedback routine is not merely a messaging system between two parties but where the feedback (message) is in response to some information provided earlier by another. For example, when the syndication request for origination is posted, users in response provide feedback such as "Bad deal" or " Can you improve on the yield ? " relevant to the posted request.

As noted it is also open to all parties without qualifications (In Louie's system it is only for those who are syndicated members). This again recognized that our claim feedback routine is also available pre-syndication as part of the sounding process similar to the modern day 'blog' where the syndicator (blogger) starts a trend about a proposed syndication and users submit comments as feedback.

Therefore, Louie's message is of the kind for executing a transaction and not necessarily for feedback purposes to originate a loan facility (reading claim 1 which claim 3 depends

Page 27 of 35

Application number: 09/628098**Art Unit:** 3624**Applicant:** Khai Hee Kwan**Examiner:** Thu Thao Havan.**Title:** Computer System and Method for online display, negotiation and management of loan syndication over computer network.

on) . Our claimed feedback is more particular for 'sounding' the market so to better determine the interest from various would be lenders before a loan facility is created and therefore could not anticipate Louie's messaging which are related to 'transactions' as part of the loan administration process (after a loan facility has been created). The
5 feedback is 'accessible' to all parties and surely information such as fund transfer and transaction details as taught by Louie could not be available to all parties. This point is now incorporated in the amended claims.

Applicant respectfully ask the examiner to allow the claims.

10

Claim 4 and 28.

This claim refers to receiving acceptance by final borrower and creating loan facility. The examiner cited Louie para 0034 and 0038-39.

15

We respectfully disagree. Para 0034 described generally the Louie's loan administration system for a loan that is already formed while para 0038-39 refers to F/T instructions which are entered by user (loan administrator) having the values of "approved or pending". Firstly if a loan is already syndicated as in Louie then there is no reason to
20 creating the loan facility as claimed. Secondly, it is clear that the instructions such as F/T are being inputted by the loan administrator in Louie which is not the same as receiving acceptance by final borrower. Our claimed invention requires the final borrower to send an acceptance signal to the computer system. No suggestion is provided to show a loan administrator in Louie could inherently be the final borrower.

25

We used 'final' borrower to show that this is the actual borrower as in some cases, companies may use fronting (also known as shell) companies/entities to borrow (say a JV or subsidiary). However, unless this is a contentious issue, the applicant submits that for examination purposes the examiner did not distinguish this (ie difference between final

Page 28 of 35

Application number: 09/628098**Art Unit:** 3624**Applicant:** Khai Hee Kwan**Examiner:** Thu Thao Havan.**Title:** Computer System and Method for online display, negotiation and management of loan syndication over computer network.

and normal) and none is sought here. Simply stated, the applicant merely used the term 'final' as reflected in the specification to state a determination that the borrower has to be the actual borrower in form and substance in view that separate entities do have their own legal personalities. So if one lend money to XYZ and it is a subsidiary for ABC an XYZ
5 fails then one cannot claim money from ABC so to get around this, we attempted to recognize the credit risk is preferably be ABC and hence any guarantee must be from ABC and not XYZ being separate entities.

Since the limitation of final borrower has not been meet, applicant respectfully ask the
10 examiner to allow the claims.

Claim 5 and 22 and 29.

These claims refer to auction routine and the examiner provided para 0010. The examiner
15 further reason that Louie teaches auction when he discloses the step of evaluating the interests of borrowers to provide an attractive package for the two parties.

We respectfully disagree. Firstly the actual teaching in para 0010 is quoted as "An institution that wishes to become a syndicate manager will usually endeavor to attract
20 potential lenders and evaluate the interests of borrowers to provide an attractive package for the two parties. Success in becoming a syndicate manager often depends on adroitly organizing contact information to facilitate a market monitoring process between lenders and borrowers."

25 An auction routine is where numerous parties compete against each other. Both the syndicator and final borrower play no role in this auction. When the auction is being run, there is no necessity for the syndicator to "adroitly organizing contact information to facilitate a market monitoring process between lenders and borrowers". The syndicator merely sit backs and watch.

Page 29 of 35

Application number: 09/628098**Art Unit:** 3624**Applicant:** Khai Hee Kwan**Examiner:** Thu Thao Havan.**Title:** Computer System and Method for online display, negotiation and management of loan syndication over computer network.

Even if the examiner is correct, the examiner provided no reasoning how 'evaluate the interests' and 'attract' and "facilitating a market monitoring" could necessarily flows to 'auction'. "In relying upon theory of inherency, the examiner must provide a basis in fact
5 and/or technical reasoning to reasonably support the determination that the allegedly inherent characteristic necessarily flows from the teachings of the applied art." Ex parte Levy, 17 USPQ2d 1461, 1464 (BPAI 1990).

In fact, evaluating interest of borrowers and attracting potential lenders could be
10 accomplish by non-auction means such as "a market monitoring process". How this monitoring is done is not explicit in Louie although we can speculate the normal way is to subscribe to magazine or newspaper displaying "tomb-stones" which show past transaction done by other lenders to gauge their appetite for risk. The Applicant can attest while working in this area, he uses such magazine to follow events in the market.

15 Furthermore, an auction requires the potential lenders to compete with each other (evaluating each other bids) which means there is no necessity for syndicate manager to attract them since the system is providing the auction venue and manages the auction result. Hence if the examiner is depending on inherency, this could not be established by
20 mere probabilities or possibilities. (In re Robertson, 169 F.3d 743,745,49 USPQ2d 1949, 1950-51 (Fed Cir 1999).

The fact that we have used auction is simply to ensure discovery of the best price by competition. Even if the syndicator is needed to 'evaluate' the bids submitted such
25 evaluation does not necessarily shows an auction routine. Such evaluation is only done at the end of the auction when the bids are collected. The said auction routine simply provides a stage for bidders to compete, it is up to the bidders to evaluate the other bids to frame their own bids competitively. In short, there is a difference between having the syndicator to evaluate something VS using the auction to collect bids. Therefore even if

Page 30 of 35

Application number: 09/628098**Art Unit:** 3624**Applicant:** Khai Hee Kwan**Examiner:** Thu Thao Havan.**Title:** Computer System and Method for online display, negotiation and management of loan syndication over computer network.

evaluation is taught does not necessarily must show auction routine which functions to collect bids. Even if collection of soliciting of bids are taught, these do not necessarily shows an auction routine as there are other ways to collect bids. Note that while Force did show auction routine but Force is not a prior art as it post-dates our application.

5

Even if the syndicator could consider auction as the preferred method to collect information to 'evaluate' or 'attract' potential lenders, it is also further noted that in our claimed invention, the auction process includes picking more than one 'winner' in reliance that it has to be a syndication effort (This point is now incorporated in the amended claims). It is uncommon in the art of auction to pick more than one winner.

10

In the state of the art of loan syndication as exemplified by US Pat 6920434 by Cossette (which the examiner alluded), the syndication includes a process of identifying and selecting the potential investors by relying on a search feature. (See Appeal Brief for Application 09/161787 by Cossette filed Sept 28, 1999 at page 9) The Applicant submits that an auction process would not be obvious in view of a search feature.

15

Therefore, the applicant submits the mere fact that there is a teaching for evaluating borrower's interest, attract potential lenders and employing a market monitoring process do not singularly or in combination necessarily reveals auction and hence this element is not anticipated by the Louie nor obvious to one skilled in the art of auction nor in combination with a search function (as found in Cossette) to select potential lenders.

20

Since the limitations cited above have not been meet, applicant respectfully ask the examiner to allow the claims.

25

Page 31 of 35

Application number: 09/628098**Art Unit:** 3624**Applicant:** Khai Hee Kwan**Examiner:** Thu Thao Havan.**Title:** Computer System and Method for online display, negotiation and management of loan syndication over computer network.**Claim 6 & 30.**

This claim refers to potential lenders to post their lending requirements. The examiner cited Louie at para 0047. Accordingly this para shows "investor" contact information 76.

5 Apparently, this contact information appears to be an 'electronic rolodex' as described by Louie. The Applicant fails to see how such contact information which can be updated by an authorized user could anticipate potential 'investor' posting their lending requirements. Our claimed invention requires potential lenders to post their lending requirements and NOT their contact information nor could this done in substitute by an

10 authorized user. There is no findings shown by the examiner to show inherently how contact information must necessarily reveal lending requirements. Even if the potential lenders could provide such contact information, there is no findings to show it is the potential lenders who are posting such information in Louie. " In relying upon theory of inherency, the examiner must provide a basis in fact and/or technical reasoning to

15 reasonably support the determination that the allegedly inherent characteristic necessarily flows from the teachings of the applied art." Ex parte Levy, 17 USPQ2d 1461, 1464 (BPAI 1990)

Even if the investor is the lead investor (ie the syndicator or manager) which has

20 authority to access the system, this does not mean other potential lenders could also access the system. At para 0107 from non-provisional, it states that " While all users may view the investor information (76), only managers are permitted to add to or update the information". And it is also noted in the same para that "Investors can be selected from a list by entering an investor ID, or the deal name associated with the investor" which

25 means these are prestored data and could not possibly be the same as posting lending requirements which are not prestored. At the same para 0107, it is also stated "For entry of a new investor, the user must be a manager, which permits the user to enter detail information about the investor. Investor information can be obtained from external systems connectable to system 68, and then updated by name, address, tax data and F/T

Page 32 of 35

Application number: 09/628098

Art Unit: 3624

Applicant: Khai Hee Kwan

Examiner: Thu Thao Havan.

Title: Computer System and Method for online display, negotiation and management of loan syndication over computer network.

instruction data, as needed." This clearly shows the method described entry of data is not by the potential investor. And said data is not "lending requirements".

5 Given that the applicant has modified Claim 1, this claim is accordingly amended to show that the potential lender could also post his or her lending requirements as part of the syndication process. The current amendment reads " The method of claim 1 wherein said requirement is a lending then first entity is a potential lender and second entity is a loan syndicator " which captures the same substance in view of Claim 1.

10 Since the limitations cited above have not been meet, applicant respectfully ask the examiner to allow the claims.

Claim 8 & 31

15 The applicant has amended this claim in its entirety to read as follows:

The method as described in Claim 1 includes a step:
adapting at least negotiated terms of loan to be incorporated in said loan facility.

20 The reason for this amendment is strategic by making Claim 1 broader and claimed our invention around the negotiation feature which we consider to be significant.

As mentioned this element came from Claim 1 and hence our rebuttal is also stated in Claim 1 above.

25

30

Page 33 of 35

Application number: 09/628098**Art Unit: 3624****Applicant: Khai Hee Kwan****Examiner: Thu Thao Havan.****Title: Computer System and Method for online display, negotiation and management of loan syndication over computer network.****Claim 9. 32.**

The applicant has amended this claim in its entirety to read as follows:

5

The method as described in claim 1 wherein said requirement is an origination then first entity is a loan syndicator and second entity is potential lender.

10

As stated previously, the applicant has decided to focus on negotiation side of the loan syndication and hence have deleted the loan administration feature. The amended claim identifies the first entity and second entity wherein the requirement is for an origination. As mentioned, the origination requirement was previously stated in Claim 1 which is now shifted to this claim. The requirement for origination has been rebutted earlier in claim 1 and will not be repeated here. As this claim is dependent on claim 1, the applicant respectfully ask the examiner to allow this claim in view of claim 1 which we submit is patentable.

15

The Applicant also welcome any questions by the examiner and can be contacted at khkwan@yahoo.com to further expedite this application.

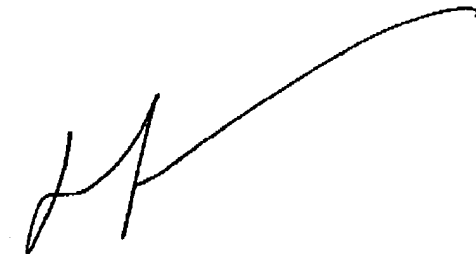
Application number: 09/628098**Art Unit: 3624****Applicant: Khai Hee Kwan****Examiner: Thu Thao Havan.****Title: Computer System and Method for online display, negotiation and management of loan syndication over computer network.****Declaration 37 CFR 1.132**

5

10 I hereby declare that all statements made herein of my own knowledge are true and that
all statements made on information and belief are believed to be true; and further that
these statements were made with the knowledge that willful false statements and the like
so made are punishable by fine or imprisonment, or both, under section 1001 of Title 18
of the United States Code, and that such willful false statements may jeopardize the
15 validity of any application, any patent issuing thereon, or any patent to which this verified
statement is directed.

20

25

**Khai Hee KWAN**

30

315 Avoca St
Randwick NSW 2031
Australia

35

Date:

4 JAN 2006

Page 35 of 35